

ADDENDUM DATED JUNE 19, 2003
TO OFFICIAL STATEMENT DATED JUNE 3, 2003

NEW ISSUE

Moody's Rating: Aa1
Standard & Poor's Rating: AA+

\$13,395,000
Mayor and Council of Rockville, Maryland
General Obligation Bonds of 2003, Series A
(Book Entry Only)

Schedule of Maturity Dates, Principal Amounts and Interest Rates

<u>Maturity</u> <u>(March 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u> <u>or Price</u>	<u>CUSIP</u> <u>774217</u>	<u>Maturity</u> <u>(March 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u> <u>or Price</u>	<u>CUSIP</u> <u>774217</u>
2004	\$670,000	2.00%	0.95%	J2 0	2014	\$670,000	3.00%	2.99%	K4 4
2005	\$670,000	2.00%	1.03%	J3 8	2015	\$670,000	3.125%	3.17%	K5 1
2006	\$670,000	2.00%	1.15%	J4 6	2016	\$670,000	3.25%	3.33%	K6 9
2007	\$670,000	2.00%	1.48%	J5 3	2017	\$670,000	3.40%	3.46%	K7 7
2008	\$670,000	2.20%	1.76%	J6 1	2018	\$670,000	3.50%	3.56%	K8 5
2009	\$670,000	2.375%	2.02%	J7 9	2019	\$670,000	3.60%	3.66%	K9 3
2010	\$670,000	2.65%	2.35%	J8 7	2020	\$670,000	3.70%	3.76%	L2 7
2011	\$670,000	2.85%	2.56%	J9 5	2021	\$670,000	3.75%	3.85%	L3 5
2012	\$670,000	3.00%	2.69%	K2 8	2022	\$670,000	3.80%	3.93%	L4 3
2013	\$670,000	3.00%	2.82%	K3 6	2023	\$665,000	3.875%	4.00%	L5 0

An underwriting syndicate managed by Legg Mason Wood Walker, Inc. with members Advest, Inc., Deutsche Bank Alex. Brown, and Morgan Stanley – Morgan Stanley DW Inc. has agreed to purchase the Obligations from the Issuer for an aggregate price of \$13,395,000.00, plus accrued interest to the date of delivery. It is expected that the Obligations will be available for delivery on or about June 30, 2003.

Original Issue Discount

The difference between the principal amount of the March 15, 2015 through March 15, 2023 maturities (the "OID Bonds") and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Obligations. Such original issue discount accrues actuarially on the constant interest rate basis over the term of each OID Bond and the basis of each OID Bond acquired at the initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.

THIS ADDENDUM IS INCORPORATED BY REFERENCE AS OF THE DATE HEREOF INTO THE OFFICIAL STATEMENT OF THE ISSUER DATED JUNE 3, 2003, WITH RESPECT TO THE OBLIGATIONS. TAKEN IN CONJUNCTION WITH SAID OFFICIAL STATEMENT, THIS ADDENDUM SHALL CONSTITUTE A "FINAL OFFICIAL STATEMENT" OF THE ISSUER WITH RESPECT TO THE OBLIGATIONS AS THAT TERM IS DEFINED IN RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

Portions of the City's general obligation debt service are being paid with revenues of the sewer, water and refuse funds. The following schedules report annual debt service payments for the City of Rockville's general obligation debt by source of payment. The following table presents the portion of the City's debt service, including debt service on a portion of the Bonds, which is being paid through the tax levy and special assessments. The second table following presents the portion of the City's debt service, including debt service on a portion of the Bonds, which is being paid with revenues of City enterprise funds.

**Schedule of Annual Principal and Interest Payments
City of Rockville General Obligation Debt
Levy and Assessment Supported Debt⁽¹⁾
As of June 30, 2002 and upon Issuance of the Bonds**

<u>Fiscal Year Ended June 30</u>	<u>Outstanding Principal and Interest⁽²⁾</u>	<u>Series 2003A Principal and Interest⁽³⁾</u>	<u>Series 2003B Principal and Interest⁽⁴⁾</u>	<u>Total Levy and Assessment Supported Debt</u>
2003	\$ 2,798,106	\$ -	\$ -	\$ 2,798,106
2004	610,962	762,969	1,807,961	3,181,892
2005	590,695	815,920	1,786,516	3,193,132
2006	548,797	805,404	1,840,512	3,194,714
2007	436,530	794,888	1,828,958	3,060,377
2008	360,514	784,372	1,792,143	2,937,030
2009	378,255	752,682	655,282	1,786,219
2010	377,253	740,672	630,671	1,748,596
2011	370,475	727,271	366,903	1,464,649
2012	363,605	712,860	325,566	1,402,030
2013	360,549	697,689	157,089	1,215,328
2014	182,962	682,519	-	865,481
2015	177,184	667,349	-	844,533
2016	171,271	651,546	-	822,817
2017	165,224	635,112	-	800,336
2018	159,177	617,919	-	777,096
2019	153,062	600,220	-	753,282
2020	146,881	582,015	-	728,896
2021	140,711	563,305	-	704,016
2022	-	544,342	-	544,342
2023	-	521,353	-	521,353
Total	\$ 8,492,213	\$ 13,660,409	\$ 11,191,602	\$ 33,344,224

(1) General Obligation debt which is expected to be paid from revenue from tax levies and special assessments.

(2) Outstanding levy and assessment supported debt less amounts refunded by the Series 2003B Bonds.

(3) Principal of \$10,210,400; actual interest rates per 6/12/03 sale.

(4) Principal of \$10,339,700; actual interest rates per 6/12/03 sale.

Schedule of Annual Principal & Interest Payments
City of Rockville General Obligation Debt
Enterprise Supported Debt⁽¹⁾
As of June 30, 2002 and upon Issuance of the Bonds

	Existing Debt ⁽²⁾			Series 2003A Bonds ⁽³⁾			Series 2003B Bonds ⁽⁴⁾			
Fiscal Year	Water Facility	Sanitary Sewer	Refuse	Sanitary Sewer	Golf Principal	Refuse	Water Facility	Sanitary Sewer	Total	
Ending June 30	Principal & Interest	Principal & Interest	Principal & Interest	Principal & Interest	and Interest ⁽⁵⁾	Principal and Interest ⁽⁵⁾	Principal & Interest	Principal & Interest	Enterprise Debt Service	
2003	\$ 741,859	\$ 769,468	\$ 53,903	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,565,230	
2004	348,822	270,882	53,936	89,893	15,981	113,249	360,256	384,963	1,637,981	
2005	348,869	264,038	53,971	104,331	18,548	113,410	356,641	380,339	1,640,146	
2006	348,925	257,193	54,008	103,662	18,429	111,313	365,915	391,967	1,651,413	
2007	348,975	250,346	54,046	102,994	18,310	109,217	362,315	389,622	1,635,824	
2008	349,189	243,500	54,085	102,325	18,191	107,121	353,762	381,890	1,610,062	
2009	349,083	266,638	520	207,668	36,919	-	130,149	139,564	1,130,541	
2010	349,136	260,092	-	204,355	36,330	-	124,770	134,366	1,109,048	
2011	349,303	253,281	-	200,657	35,672	-	72,609	78,168	989,690	
2012	349,345	246,456	-	196,681	34,966	-	64,149	69,386	960,982	
2013	350,196	239,461	-	192,496	34,221	-	30,874	33,486	880,735	
2014	350,076	232,295	-	188,310	33,477	-	-	-	804,158	
2015	277,755	224,959	-	184,124	32,733	-	-	-	719,572	
2016	200,781	217,451	-	179,764	31,958	-	-	-	629,955	
2017	200,780	209,773	-	175,230	31,152	-	-	-	616,935	
2018	200,780	202,096	-	170,486	30,309	-	-	-	603,671	
2019	200,511	194,333	-	165,603	29,441	-	-	-	589,888	
2020	-	186,484	-	160,581	28,548	-	-	-	375,612	
2021	-	178,814	-	155,418	27,630	-	-	-	361,862	
2022	-	-	-	150,186	26,700	-	-	-	176,886	
2023	-	-	-	143,844	25,572	-	-	-	169,416	
Total	\$ 5,664,384	\$ 4,967,561	\$ 324,469	\$ 3,178,609	\$ 565,086	\$ 554,309	\$ 2,221,440	\$ 2,383,751	\$ 19,859,609	

(1) General Obligation debt which is expected to be paid from revenue from the City's Enterprise Fund.

(2) Outstanding enterprise supported debt less amounts refunded by the Series 2003B Bonds.

(3) Principal of \$3,184,600; actual interest rates per 6/12/03 sale.

(4) Principal of \$4,225,300; actual interest rates per 6/12/03 sale.

Ratings

Moody's Investors Service ("Moody's"), 99 Church Street, New York, New York has assigned its rating of "Aa1" to the Bonds, and Standard & Poor's Rating Services ("S&P"), 55 Water Street, New York, New York has assigned its rating of "AA+" to the Bonds. The ratings reflect only the opinions of Moody's and S&P. Any explanation of the significance of the ratings may be obtained only from Moody's or S&P.

There is no assurance that the ratings will continue for any given period of time, or that such ratings will not be revised, suspended or withdrawn if, in the judgment of Moody's or S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.